

# Arribatec .

\ Quarterly report  
Q1 2023 .





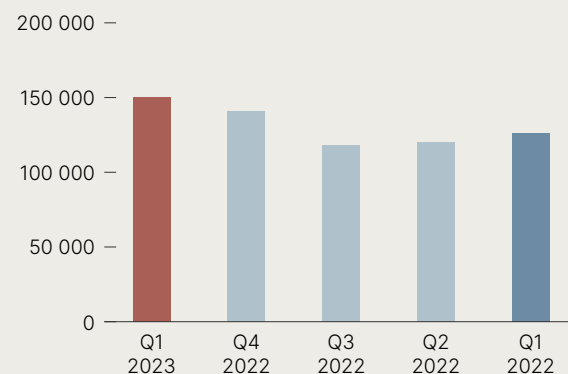
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# Highlights

Arribatec Group delivers an all time high total revenue of NOK 150.0m for the first quarter of 2023, a growth of 19%, all organic, compared to the same period last year of NOK 125.9m. The Group reports an EBITDA for the first quarter of the year of NOK 5.3m, which is 11.5m above same period last year. Recurring Revenue (RR) increased by NOK 4.1m compared to the same period last year, to NOK 50.9m for Q1 2023. The cash balance at the end of the quarter was NOK 62.0m.

## Revenue



Key consolidated figures and ratios		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Full year 2022
Revenue	TNOK	150 047	140 550	118 235	120 241	125 943	504 968
Gross profit	TNOK	115 441	113 825	88 312	90 229	97 567	389 934
EBITDA	TNOK	5 286	(9 716)	(6 671)	(11 489)	(6 231)	(34 107)
Adjusted EBITDA	TNOK	5 286	(4 478)	(6 775)	(11 261)	(2 577)	(25 090)
Operating profit/(loss), EBIT	TNOK	(6 342)	(26 266)	(20 386)	(24 752)	(18 936)	(90 339)
Net profit/(loss)	TNOK	(5 944)	(26 897)	(17 312)	(19 706)	(19 478)	(83 393)
Revenue growth y/y for the quarter/full year	%	19.1%	21.2%	25.3%	15.1%	27.0%	22.0%
Gross profit margin	%	76.9%	81.0%	74.7%	75.0%	77.5%	77.2%
EBITDA margin	%	3.5%	(6.9%)	(5.6%)	(9.6%)	(4.9%)	(6.8%)
Adjusted EBITDA margin	%	3.5%	(3.2%)	(5.7%)	(9.4%)	(2.0%)	(5.0%)
Earnings per share	NOK	(0.09)	(0.04)	(0.03)	(0.03)	(0.03)	(0.13)
Cash at end of period	TNOK	61 964	40 449	38 699	55 730	37 415	40 449
Equity	TNOK	278 471	281 927	309 362	324 873	294 121	281 927
Equity ratio	%	50.2%	54.7%	55.6%	56.4%	51.9%	54.7%
Price per share at end of reporting period <sup>1</sup>	NOK	3.260	0.369	0.352	0.489	0.891	0.369
FTEs, employed	Number	335	353	367	353	383	353
No. of outstanding shares, beg. of period <sup>1</sup>	Number	690 573 217	688 528 217	684 903 064	584 903 064	584 903 064	584 903 064
New shares issued <sup>1</sup>	Number	3	2 045 000	3 625 153	100 000 000	0	105 670 153
No. of outstanding shares, end of period <sup>1</sup>	Number	69 057 322	690 573 217	688 528 217	684 903 064	584 903 064	690 573 217
Average number of shares, year to date	Number	69 057 322	658 988 513	648 756 580	629 101 959	584 903 064	658 988 513

<sup>1</sup> Reversed share split (10:1) in Q1 2023

# \ Operation & sales .

## Strong revenue growth of 19%

Arribatec had a 19% growth in revenue compared to same period last year, and more importantly, the entire growth was organically driven. Overall, consulting services has grown by NOK 18.9m or 25% over the last year and now accounts for NOK 94.0m of a total revenue of NOK 150.0m in the quarter. ERP&Analytics services and business process management advisory have grown 23% and 41% respectively. We continue to win and deliver increasingly more work where multi-disciplinary deliveries are required. We see this as a confirmation of our go-to-market approach, where we show cases to customers, our broad capabilities and deliver integrated solutions.

Recurring revenue for the quarter has grown 9%, and now accounts for NOK 50.9m. While recurring revenue increased by NOK 4.1m compared to a year ago, the portion of recurring revenue is reduced from 37% to 33% of total revenue for Q1 2023. The reduced ratio stems from a faster growth of consulting revenue compared to the same quarter last year.

We continue to sign new agreements where we deliver services and products across multiple Business Areas. The customers that are looking for multi-disciplinary delivery capabilities are typically larger organizations with a complex structure or delivery model.

## Market trends

Arribatec delivers product and services enabling businesses to succeed with digital transformation. The global IT spending is expected to increase by 5.4% in 2023 [Forecast Analysis: IT Spending, Worldwide \(gartner.com\)](#). Despite the increased spending, most companies fail to succeed with their digital transformation [The 'how' of transformation | McKinsey](#). Arribatec delivers products and corresponding services making sure their spending leads to positive change and a return on their investments.

By 2024, nearly 60% of IT spending on application software will be directed toward cloud technologies. Public cloud services are forecasted to grow by 21.7% in 2023 [\(Forecast: Public Cloud Services, Worldwide, 2021-2027, 1Q23 Update \(gartner.com\)\)](#). The business area Cloud are



experiencing this growth and are seeing increase in number of closed deals and potential leads compared to previous quarters in 2022. EA&BPM are seeing growth across industries with the Energy industry as the driving force. The BPM market is forecasted to grow with a CAGR of 12% the next five years [Business Process Management Market Size & Forecast \[2028\] \(fortunebusinessinsights.com\)](#) while the EA market with a CAGR of 3.35% [Enterprise Architecture Tools Market 2023 | Pronounce Growth During By 2031 - MarketWatch](#). The ERP market is expected to grow by CAGR of 6.2% till 2030 [Enterprise Resource Planning \[ERP\] Software Market Size, 2030 \(fortunebusinessinsights.com\)](#). Arribatec has a unique position within these markets as we are able to offer, combine and extract synergies between the various product and services to the benefit for the client.

### Business development

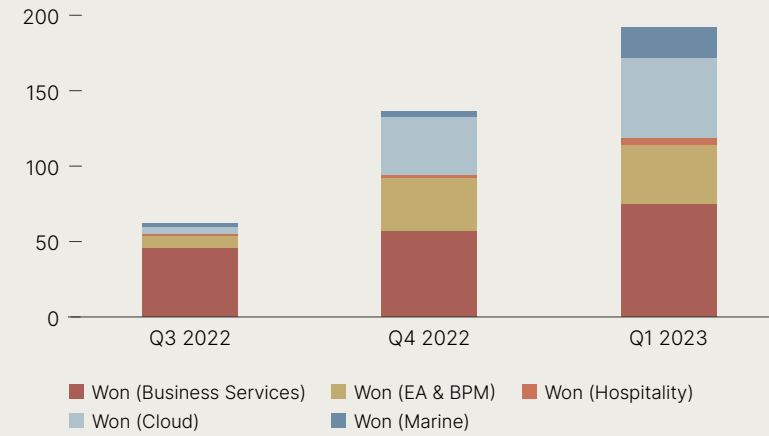
465 new sales contracts were signed in Q1-23 at a combined value of NOK 191m, including scope extensions and new agreements. The five largest contracts account for 34% of the new contracted volume.

Regionally, the Nordic remains the largest with 60% of the new contract volume. Value wise, the distribution is as follows for our three largest business areas:

Business services 40%, Cloud 26%, and EA&BPM 20%. The top five industries are Civil engineering, Energy, Public sector, Maritime, and Higher education.

### Business Development - signed Q1 compared to previous quarters

Date range: From 1 June 2022 to 31 March 2023 | Frequency: Quarterly  
Amount in company currency: NOK mill



### Signed contracts last three quarters:

- Q3 2022: NOK 62.7 mill
- Q4 2022: NOK 136.3 mill
- Q1 2023: NOK 191.1 mill

### People and organization

We have successfully recruited and onboarded 14 new employees in Q1. The new hires are primarily in Cloud and EA&BPM. The result from our internal process work last year has proven effective as we see the new employees integrate quickly and seamlessly into our company culture. We are confident that this expansion will help us meeting the market demands and growth ambitions.

# \ Financial review .

## Revenue

Arribatec Group's Q1 revenue QoQ growth was 19% and was reported at NOK 150.0m. The equivalent number for Q1 2022 was 27% growth and revenue of 125.9m. Recurring revenue (RR) accounted for NOK 50.9m in Q1 2023, or 34% of total revenue, where Region Norway delivered 81% of the total. Compared to Q1 2022, RR increased by NOK 4.1m. In Q1, consulting services accounted for NOK 94.0m of the total revenue, where Region Norway had NOK 47.3m, Europe NOK 37.2m and Americas NOK 9.4m.

Material, software and services amounted to NOK 34.6m compared to Q1 last year of NOK 28.4m. Gross profit increased by NOK 17.9m to NOK 115.4m in Q1 compared to same period last year.

Total operating expenses for Q1 amounted to NOK 110.2m compared to NOK 103.8m same period last year, an increase of NOK 6.4m. The main expense in Operating expenses is salary and personnel cost, equal to appr. 83% of total operating expenses in the quarter.

EBITDA for Q1 2023 amounted to NOK 5.3m which is NOK 11.5m above the same period last year. The increase is

explained by higher gross margin as a result of higher revenue. EBITDA margin Q1 was 3.5%. No adjustments have been applied to the EBITDA in Q1.

Depreciation, amortization and impairment (D&A) amounted to NOK 11.6m for Q1 compared to NOK 12.7m in same period 2022. The two main components of the D&A are amortizations of intangible assets from acquired companies (3.6m), internally developed software and technical software (2.0m), depreciation of fixed assets (0.7m) and depreciation of right-of-use assets such as office lease contracts calculated according to IFRS 16 (4.9m).

## Finance, tax & net result

Net financial items were NOK -0.6m and calculated tax income for the quarter was NOK 1.0m leaving a net loss after tax of NOK -5.9m for Q1 2023.

## The balance sheet

Total assets of the Group at the end of Q1 2023 were NOK 554.8m compared to 515.4m at the end of year 2022. Non-current intangible assets at the end of the quarter accounted for NOK 280.3m. Intangible assets consist of goodwill of NOK 206.4m, which stems from the acquisitions done

Revenue  
+19%  
NOK 150.0m vs. 125.9m



by Arribatec since Q4 2020. Additionally, as at the end of the period, NOK 32.8m of the purchase price paid for the companies was allocated as the value of the customer relations in those same companies. Finally, technical and custom-made software accounts for NOK 41.0m of the intangible assets. Total intangible assets at the end of 2022 were NOK 281.2m.

Current assets of NOK 207.5m consist of account receivables of 93.6m and cash balance at the end of the quarter of NOK 61.9m. Other receivables, inventory, contract assets and other current assets add up to NOK 51.9m. Total current assets at the end of 2022 was NOK 168.3m.

Non-current liabilities at the end of Q1 were NOK 69.8m, of which 18.4m were drawdowns on smaller revolving credit facilities in Norway and Italy. Lease liabilities related to office and equipment with a remaining lease period above twelve months calculated under IFRS 16 accounted for NOK 26.3m, while deferred tax totalled to 10.2m. Total non-current liabilities at the end of last year was NOK 79.8m.

Current liabilities amounted to NOK 206.5m at the end of the quarter. Other current liabilities accounted for 96.6m. This item mainly includes accruals for employee tax and VAT. The total amount of other current liabilities at the end of last year was NOK 153.6m.

At the end of the quarter, total equity was NOK 278.5m, giving an equity ratio of 50.2%.

After the reverse split in March 2023, Arribatec has a total of 69 057 322 shares outstanding.

### **Cash flow and liquidity**

Arribatec's cash flow from operating activities in Q1 was positive with NOK 34.1m, which compares to positive 1.3m in Q1 2022. Net change in accounts receivables and payables had a negative impact of NOK 5.8m while a change in other current accounts increased cash from operation by another NOK 35.1m (mainly increase in deferred revenue on contract liabilities). Net cash flow from investing activities was NOK 1.9m. Of the capitalized assets, appr. 60% is capitalized development costs and purchased software. Net cash flow from financing was negative by NOK 11.3m. Arribatec had NOK 62.0m in cash and cash equivalents at the end of the quarter.

### **Other activities**

During March, Arribatec performed a reverse share split of the Company's shares in the ratio of 10:1 to meet the Oslo Børs' requirements of a minimum share value of NOK 1 per share.

### **Subsequent events after reporting date**

There has been no subsequent events after the balance sheet date.

# \ Condensed consolidated financial statements & notes .





# \ Condensed consolidated statements of profit and loss .

NOK thousand	Note	For the quarter end		
		31 Mar 2023	31 Mar 2022	Full year 2022
Revenue	<a href="#">3</a>	150 047	125 943	504 968
Materials, software and services		(34 606)	(28 375)	(115 035)
<b>Gross profit</b>		<b>115 441</b>	<b>97 567</b>	<b>389 934</b>
Salary and personnel costs		(91 377)	(88 490)	(338 800)
Other operating expenses		(18 778)	(15 308)	(85 241)
<b>Total operating expenses</b>		<b>(110 155)</b>	<b>(103 799)</b>	<b>(424 041)</b>
<b>EBITDA</b>		<b>5 286</b>	<b>(6 231)</b>	<b>(34 107)</b>
Depreciation, amortization and impairment	<a href="#">4, 5</a>	(11 628)	(12 704)	(56 232)
<b>EBIT</b>		<b>(6 342)</b>	<b>(18 936)</b>	<b>(90 339)</b>
Financial income	<a href="#">6</a>	2 059	531	5 191
Financial expense	<a href="#">6</a>	(2 699)	(888)	(5 280)
<b>Profit/(loss) before tax</b>		<b>(6 982)</b>	<b>(19 293)</b>	<b>(90 428)</b>
Tax expense		1 038	(185)	7 035
<b>Profit/(loss) after tax</b>		<b>(5 944)</b>	<b>(19 478)</b>	<b>(83 393)</b>
<b>Attributable to:</b>				
Equity holders of the parent company		(5 944)	(19 478)	(83 393)
Earnings per share: basic	<a href="#">7</a>	(0.09)	(0.03)	(0.13)
Earnings per share: diluted	<a href="#">7</a>	(0.09)	(0.03)	(0.13)

# \ Consolidated statement of comprehensive profit and loss .

NOK thousand	For the quarter end		
	31 Mar 2023	31 Mar 2022	Full year 2022
<b>Profit/(loss) after tax</b>	(5 944)	(19 478)	(83 393)
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign currency translation differences - foreign operations	2 495	(2 474)	282
<b>Other comprehensive income/(loss) for the period</b>	2 495	(2 474)	282
<b>Total comprehensive income/(loss) for the period</b>	(3 449)	(21 953)	(83 111)
<b>Attributable to:</b>			
Equity holders of the parent company	(3 449)	(21 953)	(83 111)

# Interim consolidated statement of financial position

NOK thousand	Note	31 Mar 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and equipment		6 752	6 517
Right-of-use assets	<a href="#">4</a>	41 649	41 719
Goodwill	<a href="#">5</a>	206 426	204 581
Customer relations	<a href="#">4</a>	32 823	34 637
Other Intangible assets	<a href="#">4</a>	41 036	41 934
Other non-current assets		4 930	5 323
Deferred tax assets		13 707	12 322
<b>Total non-current assets</b>		<b>347 323</b>	<b>347 034</b>
<b>Current assets</b>			
Accounts receivable		93 634	88 214
Other receivables		2 105	1 128
Contract assets		19 698	16 276
Inventory		3 744	3 777
Other current assets		26 329	18 484
Cash and cash equivalents		61 964	40 449
<b>Total current assets</b>		<b>207 473</b>	<b>168 328</b>
<b>TOTAL ASSETS</b>		<b>554 796</b>	<b>515 362</b>

NOK thousand	Note	31 Mar 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<a href="#">8</a>	193 361	193 361
Other paid in capital		215 638	215 645
Exchange differences		3 175	679
Other equity		(133 702)	(127 758)
<b>Total equity</b>		<b>278 471</b>	<b>281 927</b>
<b>Non-current liabilities</b>			
Interest bearing loans	<a href="#">9</a>	18 428	18 883
Non-current lease liabilities	<a href="#">4</a>	26 284	26 727
Other non-current financial liabilities		967	967
Deferred tax liabilities		10 218	10 590
Provisions		13 949	14 202
<b>Total non-current liabilities</b>		<b>69 845</b>	<b>71 369</b>
<b>Current liabilities</b>			
Interest bearing loans - current portion	<a href="#">9</a>	6 780	12 328
Current lease liabilities	<a href="#">4</a>	17 273	16 765
Accounts payable		31 503	31 879
Contract liabilities		52 016	16 476
Current tax payable		2 300	650
Other current liabilities		96 608	83 969
<b>Total current liabilities</b>		<b>206 480</b>	<b>162 066</b>
<b>Total liabilities</b>		<b>276 325</b>	<b>233 435</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>554 796</b>	<b>515 362</b>

# Interim consolidated statement of changes in equity

NOK thousand	Equity related to the shareholders of the parent company				
	Restricted		Exchange differences	Other equity	Total Equity
	Share capital	Other paid in capital			
Balance on 1 January 2022	163 773	196 700	398	(44 365)	316 506
Result of the period				(83 393)	(83 393)
Other comprehensive income for the period			282		282
<b>Total comprehensive result for the period</b>	0	0	282	(83 393)	(83 111)
Capital issue, April	28 000	22 000			50 000
Share issue, repair offer, July	1 015	798			1 813
Share issue cost		(3 280)			(3 280)
Share consideration relating to acquisition of Integra		(2 872)			(2 872)
Capital issue in relation to acq. of Integra, Nov	573	2 299			2 872
<b>Closing balance 31 Dec 2022</b>	193 361	215 645	679	(127 758)	281 927
Balance on 1 January	193 361	215 645	679	(127 758)	281 927
Result of the period				(5 944)	(5 944)
Other comprehensive income for the period			2 495		2 495
<b>Total comprehensive result for the period</b>	0	0	2 495	(5 944)	(3 449)
Capital issue, Feb	0	(6)			(6)
<b>Closing balance 31 Mar 2023</b>	193 361	215 638	3 175	(133 702)	278 471

# Interim consolidated cash flow statement

NOK thousand	Note	For the quarter end		
		31 Mar 2023	31 Mar 2022	Full year 2022
<b>Operating activities</b>				
Profit/(Loss) before tax		(6 982)	(19 293)	(90 428)
Taxes paid		(497)	0	(1 566)
<b>Adjustments for:</b>				
- Finance income and expense	<u>4</u>	640	357	73
- (Increase)/decrease in trade receivables		(5 420)	(3 214)	460
- (Decrease)/increase in trade payables		(376)	7 096	10 652
- Depreciation and amortization	<u>5, 6</u>	11 628	12 704	50 618
- Impairment losses on intangible assets	<u>5</u>	0	0	5 614
Change in other current accounts		35 149	3 662	(2 190)
<b>Net cash flows operating activities</b>		<b>34 143</b>	<b>1 312</b>	<b>(26 766)</b>
<b>Investing activities</b>				
Sale of intangible assets	<u>5</u>	0	0	9 347
Purchase of property, plant and equipment		(795)	(1 048)	(1 964)
Purchase and development of intangible assets	<u>5</u>	(1 091)	(2 143)	(13 881)
Interest received		36	4	291
<b>Net cash flows investing activities</b>		<b>(1 850)</b>	<b>(3 187)</b>	<b>(6 207)</b>

NOK thousand	Note	For the quarter end		Full year 2022
		31 Mar 2023	31 Mar 2022	
<b>Financing activities</b>				
Change in overdrafts		(6 551)	1 770	(2 432)
Repayment of debt		(1 394)	(1 147)	(5 464)
Interest paid		(261)	(181)	(697)
Received Gov.grants (SkatteFUNN)		0	0	3 493
Instalments lease liabilities		(3 114)	(4 102)	(15 932)
Proceeds from shares issued		(6)	0	51 813
Share issue cost		0	(432)	(3 280)
<b>Net cash flows financing activities</b>		<b>(11 326)</b>	<b>(4 091)</b>	<b>27 501</b>
Net change in cash and cash equivalents		20 967	(5 966)	(5 472)
Cash and cash equivalents at beginning of period		40 449	43 758	43 758
Currency translation		548	(378)	2 163
<b>Cash and cash equivalents at end of period, incl. restricted cash</b>		<b>61 964</b>	<b>37 415</b>	<b>40 449</b>
-whereof restricted cash		8 373	9 842	13 492

# \ Notes to the condensed consolidated interim financial statements .

## Note 01 Basis for the preparation

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The parent company Arribatec Group ASA (Company) is a company domiciled in Norway. These condensed consolidated interim Statements (“interim financial statements”) comprise the Company and its subsidiaries (together referred to as “the Group”). These interim financial statements are unaudited for 2023 and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended 31 December 2022. Changes to IFRSs which have been effective from 1 January 2023 have had no material impact on the Group’s financial statements. All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented total figure.

## Note 02 Risk and uncertainties

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In preparing these interim financial statements, management has made judgments and estimates that effects the application and accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. Critical Accounting estimates and judgments in terms of accounting policies are more comprehensively discussed in the Company’s Annual report for the Financial Year 2022, available on Arribatec’s website: [www.Arribatec.com](http://www.Arribatec.com).

## Note 03 Revenue per geography and segment

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### Segment

The management of the Group follows up the revenue by Business Area and geography.

**Business services** is focusing on ERP, BI & Analytics, DevOps, integrations and software solutions for research institutes. Arribatec Business services provide simplicity by implementing, customizing, maintaining and supporting the entire business landscape, with ERP as the core engine. We integrate it with other marked leading systems that provide better operational support and insight than a single ERP system does.

**EA & BPM** provides Enterprise Architecture and Business Process Management. Arribatec EA&BPM delivers solutions and long-term services within the spaces of business process management, enterprise architecture and corporate governance to major Norwegian and Nordic customers, both in the private and public sector.

**Cloud** provides Cloud solutions; hybrid, Azure, Splunk, GDPR.

Arribatec Cloud provides consulting, outsourcing and cloud services to private and public enterprises. In addition to offering market leading cloud services from Microsoft and Google, Arribatec Cloud also operates its own public cloud offering based on Norwegian data centers to accommodate special use cases for our customers.

**Hospitality** delivers solutions for self-check-in/check-out and payments for the hospitality industry.

**Marine** is the Business Unit of Arribatec Group focusing on the Maritime sector. Arribatec Marine competencies are the development, implementation and consulting of the owned asset management system solutions: Infoship.

### For the quarter end 31 Mar 2023

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	82 968	29 699	32 190	949	9 284	145	(5 189)	150 047
Materials, software and services	(16 139)	(6 399)	(14 343)	(476)	(789)	(887)	4 428	(34 606)
<b>Gross margin</b>	66 829	23 300	17 847	474	8 495	(742)	(761)	115 441
Salary and personnel costs	(50 094)	(15 065)	(11 606)	(2 618)	(6 460)	(5 534)	0	(91 377)
Other operating expenses	(5 814)	(1 169)	(3 944)	(1 605)	(1 682)	(5 326)	761	(18 778)
<b>Total operating expenses</b>	(55 908)	(16 233)	(15 549)	(4 223)	(8 142)	(10 861)	761	(110 155)
<b>EBITDA</b>	10 921	7 067	2 298	(3 749)	353	(11 603)	0	5 286
Depreciation, amortization and impairment	(4 065)	(1 638)	(1 925)	(653)	(1 762)	(1 586)	0	(11 628)
<b>EBIT</b>	6 856	5 429	373	(4 402)	(1 408)	(13 189)	0	(6 342)
<b>Net financial items</b>	799	(547)	(266)	(133)	(333)	(160)	0	(640)
<b>Profit/(loss) before tax</b>	7 655	4 882	107	(4 536)	(1 742)	(13 348)	0	(6 982)
Gross margin %	80.5%	78.5%	55.4%	49.9%	91.5%	na	na	76.9%
EBITDA %	13.2%	23.8%	7.1%	(394.9%)	3.8%	na	na	3.5%

<sup>1</sup> Ref. sale of Performance IP



**For the quarter end 31 Mar 2022**

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	77 587	22 130	26 799	804	12 890	740	(15 008)	125 943
Materials, software and services	(21 528)	(5 370)	(9 647)	(444)	(4 154)	(4 784)	17 552	(28 375)
<b>Gross margin</b>	56 059	16 760	17 152	360	8 735	(4 043)	2 545	97 567
Salary and personnel costs	(44 413)	(13 259)	(10 166)	(2 413)	(12 747)	(5 492)	0	(88 490)
Other operating expenses	(1 163)	(1 518)	(4 966)	(738)	(385)	(3 995)	(2 545)	(15 308)
<b>Total operating expenses</b>	(45 576)	(14 777)	(15 131)	(3 151)	(13 132)	(9 486)	(2 545)	(103 799)
<b>EBITDA</b>	10 482	1 983	2 021	(2 792)	(4 396)	(13 529)	0	(6 231)
Depreciation, amortization and impairment	(3 077)	(1 124)	(2 052)	(389)	(3 080)	(2 981)	0	(12 704)
<b>EBIT</b>	7 406	858	(31)	(3 181)	(7 476)	(16 511)	0	(18 936)
<b>Net financial items</b>	(364)	62	(26)	(69)	(170)	210	0	(357)
<b>Profit/(loss) before tax</b>	7 041	920	(57)	(3 250)	(7 646)	(16 301)	0	(19 293)
Gross margin %	72.3%	75.7%	64.0%	44.7%	67.8%	na	na	77.5%
EBITDA %	13.5%	9.0%	7.5%	(347.3%)	(34.1%)	na	na	(4.9%)

## Full year 2022

NOK thousand	Business services	EA & BPM	Cloud	Hospitality	Marine	Corporate/ Other	Eliminations	Total
Revenue	291 362	89 789	113 726	3 642	47 066	1 166	(41 781)	504 968
Materials, software and services	(64 177)	(19 812)	(48 862)	1 948	(6 365)	(17 561)	39 794	(115 035)
<b>Gross margin</b>	227 185	69 977	64 864	5 590	40 701	(16 395)	(1 988)	389 934
Salary and personnel costs	(177 970)	(52 108)	(41 291)	(10 192)	(39 066)	(18 172)	0	(338 800)
Other operating expenses	(21 768)	(5 437)	(22 031)	(3 678)	(11 702)	(22 613)	1 988	(85 241)
<b>Total operating expenses</b>	(199 739)	(57 545)	(63 322)	(13 870)	(50 768)	(40 785)	1 988	(424 041)
<b>EBITDA</b>	27 446	12 432	1 542	(8 280)	(10 067)	(57 180)	0	(34 107)
Depreciation, amortization and impairment	(15 110)	(5 707)	(7 116)	(2 762)	(14 696)	(10 842)	0	(56 232)
<b>EBIT</b>	12 336	6 725	(5 573)	(11 042)	(24 764)	(68 022)	0	(90 339)
<b>Net financial items</b>	(331)	(9)	(357)	(223)	74	757	0	(89)
<b>Profit/(loss) before tax</b>	12 005	6 717	(5 931)	(11 265)	(24 690)	(67 265)	0	(90 428)
Gross margin %	78.0%	77.9%	57.0%	153.5%	86.5%	na	na	77.2%
EBITDA %	9.4%	13.8%	1.4%	(227.4%)	(21.4%)	na	na	(6.8%)

### Disaggregation of revenue

In the following table, revenue is disaggregated by primary service line, geography and recurrence. In presenting the geographic information, revenue has been based on the geographic location of legal entity.

#### For the quarter end 31 Mar 2023

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	47 348	41 395	3 858	92 601
Europe	37 230	7 850	902	45 982
Americas	9 456	1 637	372	11 464
<b>Total revenue</b>	<b>94 033</b>	<b>50 882</b>	<b>5 132</b>	<b>150 048</b>

#### Full year 2022

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	140 157	149 666	15 472	305 295
Europe	129 395	27 911	5 819	163 126
Americas	28 902	6 917	728	36 548
<b>Total revenue</b>	<b>298 454</b>	<b>184 495</b>	<b>22 019</b>	<b>504 968</b>

#### For the quarter end 31 Mar 2022

NOK thousand	Consulting services	Recurring Revenue	One-time revenue	Total
Norway	38 290	36 451	3 425	78 166
Europe	31 475	9 022	522	41 019
Americas	5 387	1 336	35	6 758
<b>Total revenue</b>	<b>75 152</b>	<b>46 809</b>	<b>3 982</b>	<b>125 943</b>

## Note 04 Leased assets

### Right-of-use assets Year to date 31 Mar 2023

NOK thousand	Buildings	Vehicles	Hardware	Other	Total
<b>Right-of-use assets per 1 Jan 2022</b>	18 149	430	3 139	8 548	30 266
Addition of right-of-use assets	18 336	0	37	9 836	28 209
Depreciation in the period	(10 791)	(345)	(1 561)	(4 518)	(17 215)
Reclassification between categories	6 631	1	191	(6 822)	0
Translation difference	447	3	9	0	459
<b>Right-of-use assets per 1 Jan 2023</b>	32 773	89	1 814	7 043	41 719
Addition of right-of-use assets	4 004	0	0	152	4 155
Depreciation in the period	(3 364)	(47)	(361)	(1 087)	(4 859)
Reclassification between categories	(41)	41	0	0	0
Translation difference	630	2	1	0	633
<b>Carrying amount of right-of-use assets, end of period</b>	34 002	85	1 454	6 108	41 648
Remaining lease term	1-5 years	1-4 years	1-3 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	

## Lease liabilities

NOK thousand

31 Mar 2023

### Undiscounted lease liabilities and maturity of cash outflow

< 1 year	18 316
1-2 years	11 943
2-3 years	8 882
3-4 years	4 315
4-5 years	1 814
> 5 years	383
<b>Total undiscounted lease liabilities, end of period</b>	<b>45 654</b>
Discount element	(2 097)
<b>Total discounted lease liabilities, end of period</b>	<b>43 557</b>

NOK thousand

31 Mar 2023

31 Dec 2022

Total lease liabilities, end of period	43 557	43 492
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## Note 05 Intangible assets

### Year to date 31 Mar 2023

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
<b>Cost at 1 Jan 2023</b>	204 581	56 799	51 883	13 654	7 752	334 669
Additions - internally developed	0	0	0	1 091	0	1 091
Reclassifications between categories	0	0	2 249	(2 249)	0	0
Disposals	0	0	0	(871)	(161)	(1 032)
Translation difference	1 845	1 466	1 087	1 273	64	5 735
<b>Cost, end of period</b>	<b>206 426</b>	<b>58 265</b>	<b>55 219</b>	<b>12 897</b>	<b>7 656</b>	<b>340 462</b>
<b>Accumulated amortizations at 1 Jan 2023</b>	0	(22 162)	(21 290)	(6 684)	(3 381)	(53 517)
Amortization	0	(2 882)	(747)	(2 011)	(437)	(6 077)
Reclassifications between categories	0	0	(1 253)	1 253	0	0
Disposals	0	0	0	871	84	956
Translation difference	0	(398)	(553)	(546)	(41)	(1 539)
<b>Accumulated amortization and impairment, end of period</b>	<b>0</b>	<b>(25 441)</b>	<b>(23 843)</b>	<b>(7 117)</b>	<b>(3 775)</b>	<b>(60 177)</b>
<b>Carrying amount at 31 Mar 2023</b>	<b>206 426</b>	<b>32 823</b>	<b>31 376</b>	<b>5 779</b>	<b>3 881</b>	<b>280 286</b>
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

## Full year 2022

NOK thousand	Goodwill	Customer relations	Other intangible assets; Custom software	Other intangible assets; Technical software	Other intangible assets; Licenses	Total
<b>Cost at 1 Jan 2022</b>	205 279	57 526	29 975	54 353	4 979	352 112
Additions	0	0	887	0	1 240	2 127
Additions - internally developed	0	0	11 755	0	0	11 755
Less government grants	0	0	(1 006)	0	0	(1 006)
Reclassifications <sup>1</sup>	0	(691)	44 003	(32 619)	1 551	12 243
Sale of asset	(910)	0	0	(9 202)	0	(10 113)
Disposals	0	0	(35 302)	0	0	(35 302)
Translation difference	213	(36)	1 570	1 122	(17)	2 852
<b>Cost, end of period</b>	<b>204 581</b>	<b>56 799</b>	<b>51 883</b>	<b>13 654</b>	<b>7 752</b>	<b>334 669</b>
<b>Accumulated amortizations at 1 Jan 2022</b>	0	(11 495)	(10 093)	(13 523)	(643)	(35 755)
Amortization	0	(11 360)	(13 962)	(3 887)	(1 689)	(30 898)
Impairment	0	0	(5 606)	0	0	(5 606)
Reclassifications <sup>1</sup>	0	691	(19 283)	7 614	(1 054)	(12 032)
Sale of asset	0	0	0	3 527	0	3 527
Disposals	0	0	28 408	0	0	28 408
Translation difference	0	2	(754)	(416)	6	(1 162)
<b>Accumulated amortization and impairment, end of period</b>	<b>0</b>	<b>(22 162)</b>	<b>(21 290)</b>	<b>(6 684)</b>	<b>(3 381)</b>	<b>(53 517)</b>
<b>Carrying amount at 31 Dec 2022</b>	<b>204 581</b>	<b>34 637</b>	<b>30 593</b>	<b>6 969</b>	<b>4 372</b>	<b>281 152</b>
Useful life	Infinite	5 yrs	5–10 yrs	5 yrs	3–10 yrs	

<sup>1</sup> Reclassifications made between categories

## Note 06 Financial items

NOK thousand	For the quarter end		
	31 Mar 2023	31 Mar 2022	Full year 2022
<b>Finance income</b>			
Interest income	36	4	291
Realized foreign exchange gains	713	277	2 153
Net unrealized foreign exchange gains	1 286	166	1 522
Other financial income	24	84	1 225
<b>Total financial income</b>	<b>2 059</b>	<b>531</b>	<b>5 191</b>
<b>Finance expenses</b>			
Interest on debts and borrowings	(261)	(181)	(697)
Interest expense on lease liabilities	(340)	(325)	(1 236)
Realized foreign exchange losses	(1 931)	(178)	(1 998)
Other financial expenses	(168)	(204)	(1 349)
<b>Total financial expenses</b>	<b>(2 699)</b>	<b>(888)</b>	<b>(5 280)</b>
<b>Net financial items</b>	<b>(640)</b>	<b>(357)</b>	<b>(88)</b>



## Note 07 Earnings per share

NOK thousand	For the quarter end		
	31 Mar 2023	31 Mar 2022	Full year 2022
Net profit/(loss) to equity holders	(5 944)	(19 478)	(83 393)
<b>Total</b>	<b>(5 944)</b>	<b>(19 478)</b>	<b>(83 393)</b>
<b>Number of shares (in thousands)</b>			
Weighted average number of ordinary shares <sup>1</sup>	69 057	584 903	658 989
Effects of dilution, weighted average	383	5 871	5 664
<b>Weighted average number of shares, adjusted for effects of dilution</b>	<b>69 440</b>	<b>590 774</b>	<b>664 652</b>
Basic earnings per share (NOK)	(0.09)	(0.03)	(0.13)
Diluted earnings per share (NOK) <sup>2</sup>	(0.09)	(0.03)	(0.13)

<sup>1</sup> Reverse share split 10:1 in Q1 2023

<sup>2</sup> If Net loss, EPS per Basic and Diluted share will be equal

## Note 08 Issued shares, share capital and shareholder information

### Issued shares and share capital

	Number of shares	Share Capital (NOK)
<b>1 January 2022</b>	584 903 064	163 772 858
Capital issue, April	100 000 000	28 000 000
Share issue, repair offer, July	3 625 153	1 015 043
Capital issue in relation to acq. of Integra, Nov	2 045 000	572 600
<b>31 December 2022</b>	690 573 217	193 360 501
Capital issue, February	3	1
Reverse share split (10:1), March	(621 515 898)	
<b>31 March 2023</b>	69 057 322	193 360 502

## 20 largest shareholders at 31 Mar 2023

	Holding	Stake
FERNCLIFF LISTED DAI AS	16 655 404	24.1%
TITAN VENTURE AS	2 812 162	4.1%
ARRIBA INVEST AS	2 660 000	3.9%
DALLAS ASSET MANAGEMENT AS	2 467 200	3.6%
JOAR AARENES	2 411 185	3.5%
SRK CONSULTING AS	1 780 947	2.6%
NORDNET BANK AB	1 776 507	2.6%
ERIK SKAAR OPDAL	1 695 200	2.5%
TRUDE HALVORSEN	1 079 789	1.6%
HANEKAMB INVEST AS	1 055 347	1.5%
DATUM AS	854 291	1.2%
MIDDELBOE AS	701 115	1.0%
NORSK REGNESENTRAL	677 074	1.0%
NORDNET LIVSFORSIKRING AS	618 398	0.9%
DANSKE BANK A/S	612 711	0.9%
LARS HUGO BRAADLAND OLSEN	574 850	0.8%
LCS AS	551 801	0.8%
JAN ARNE CHRISTENSEN	515 675	0.7%
NORDLYS TRADING AS	450 000	0.7%
VALSET INVEST AS	450 000	0.7%
<b>Total 20 largest shareholders</b>	<b>40 399 656</b>	<b>58.5%</b>
Other shareholders	28 657 666	41.5%
<b>Total</b>	<b>69 057 322</b>	<b>100.0%</b>

## Shares held by related parties

	Holding	Stake	
FERNCLIFF LISTED DAI AS	16 655 404	24.1%	Related to Øystein S. Spetalen, Member of the Board in Arribatec Group ASA
HANEKAMB INVEST AS	1 055 347	1.5%	Related to Martin Nes, Chairman of the Board in Arribatec Group ASA
FINANCE RESOURCES GJ AS	360 609	0.5%	Related to Geir Johansen, CEO of Arribatec Group ASA
REAKTOR RETURNS AS	173 883	0.3%	Related to Henrik Lie-Nielsen, Member of the Board in Arribatec Group ASA
KJØLVIK INVEST AS	58 334	0.1%	Related to Ole-Jakob Kjølvik, COO of Arribatec Group ASA
SICUBI AS	24 072	0.0%	Related to Bente Brocks, CFO (interim) of Arribatec Group ASA
HELLEBUST, KRISTIN	22 728	0.0%	Related to Kristin Hellebust, Member of the Board in Arribatec Group ASA

## Note 09 Interest bearing debt

NOK thousand

Debt financial institutions	Type	Currency	Facility limit	Interest rate	Year of maturity	31 Mar 2023	31 Dec 2022
Danske Bank	Revolving credit facility	NOK	20 000	NIBOR+2.75%	2023	0	6 750
DLL	Leasing & finance company	NOK		4.5%	2024	189	244
Bank Intesa, Italy	Unsecured bank facilities	EUR		EURIBOR+1.95%-2.40%	2027	9 086	8 411
Bank Progetto, Italy	Unsecured bank loan	EUR		EURIBOR+5%	2025	5 462	5 759
Bank Carige, Italy	Unsecured bank loan	EUR		1.3%	2027	6 997	6 863
Bank Passadore, Italy	Unsecured bank loan	EUR		EURIBOR+1.5%	2028	3 243	3 154
Italian banks, ref above	Revolving credit facility	EUR		1.0-4.75%	2023	231	29
<b>Total</b>						<b>25 208</b>	<b>31 211</b>

	Credit facilities	Other borrowings	Total
<b>Balance at 1 Jan 2023</b>	6 779	24 431	31 211
Proceeds from loans and borrowings	231	0	231
Repayment of loans and borrowings	(6 782)	(1 394)	(8 176)
<b>Total changes in financial cashflow</b>	<b>(6 551)</b>	<b>(1 394)</b>	<b>(7 945)</b>
Translation difference	2	1 940	1 942
<b>Total interest bearing debt, end of period</b>	<b>231</b>	<b>24 977</b>	<b>25 208</b>

## Note 10 Transactions with related parties

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There are no transactions with related parties since January 2022.

# \ APMs, terms and abbreviations .

NOK thousand	For the quarter end		Full year 2022
	31 Mar 2023	31 Mar 2022	
<b>EBITDA</b>	5 286	(6 231)	(34 107)
M&A cost	0	0	0
Restructuring cost	0	3 110	3 779
Bad debt in relation to discount. product	0	0	1 048
Sale of intangible asset (IP)	0	0	4 190
Sanctions <sup>1</sup>	0	545	0
<b>Adjusted EBITDA</b>	5 286	(2 577)	(25 090)

<sup>1</sup> Accrual for ECL Russia

APM cost is considered as one-time and not part of the ongoing business and are therefore adjusted to show an EBITDA mirroring the underlying business.

M&A cost are related to acquisition of subsidiaries, restructuring cost is related to the restructuring of BA Marine, bad debt in relation to discontinued product in BA Business Services and Sale of intangible asset is related to loss on sale of IP in BA Marine.

## KPI/APM definition

KPI/APM	Definition
<b>Gross profit</b>	Operating revenue less materials, software and services
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortization
<b>Adjusted EBITDA</b>	EBITDA, adjusted for calculated reverse take-over cost, restructuring cost and direct M&A cost
<b>EBITDA margin</b>	EBITDA as a percentage of Total income
<b>Equity ratio</b>	Equity as a percentage of total assets

## Terms and abbreviations

<b>APAC</b>	Asia/Pacific	<b>Hspt</b>	BA Hospitality
<b>BA</b>	Business Area	<b>IFRS</b>	International Financial Reporting Standards
<b>BizS</b>	BA Business Services	<b>Marine</b>	BA Marine
<b>BoD</b>	Board of Directors	<b>M&amp;A</b>	Mergers and Acquisitions
<b>CAGR</b>	Compound Annual Growth Rate, used to measure an investment's annual growth rate over time, with the effect of compounding taken into account	<b>NOK</b>	Norwegian Krone
<b>CGU</b>	Cash Generating Unit	<b>Opex</b>	Operating expenses
<b>Cloud</b>	BA Cloud	<b>RR</b>	Recurring revenue, derived from sale of services and solutions through subscription models this reporting period
<b>DKK</b>	Danish Krone	<b>RTO</b>	Reverse take over
<b>EA-BPM</b>	BA Enterprise Architecture & Business Process Management	<b>SEK</b>	Swedish Krone
<b>EBIT</b>	Operating profit, Earning before Interest and Tax	<b>Saas</b>	Software as a service
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortization	<b>Solaas</b>	Solution as a service
<b>ECL</b>	Estimated Credit Losses	<b>USD</b>	US dollar
<b>EPS</b>	Earnings Per Share	<b>VIU</b>	Value in Use
<b>EUR</b>	Euro	<b>WACC</b>	Weighted Average Cost of Capital
<b>FTE</b>	Full Time Equivalent	<b>WAEP</b>	Weighted Average Exercise Price

# Arribatec.

Arribatec is a global supplier of digital business solutions that help our customers achieve competitive advantage through innovative use of IT.

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Half year report

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